



## Policy and Procedure

**Policy Name:** Financial Assistance Policy

**Department:** Administration

**Effective:** 5/25/21

### SCOPE

This Financial Assistance Policy (FAP) applies to all patients who receive medically necessary services at Pratt Regional Medical Center Corporation and meet specific financial guidelines. The delivery of charitable care and financial assistance does not obligate Pratt Regional Medical Center Corporation to provide continuous care unless the services are unique to PRMC. Pratt Regional Medical Center will serve the emergency health care needs of patients who present to the Emergency Room, regardless of their ability to pay for care.

#### **Services that are covered under this policy include:**

- Emergency medical services provided in an emergency room setting
- Services for a condition that, if not properly treated, would lead to an adverse change in the health status of an individual
- Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting
- Medically necessary services

#### **Exclusions to this policy include:**

- Patients who are not United States Citizens or Permanent Resident Aliens, except for those with emergency healthcare needs
- Patients receiving experimental and investigational procedures
- Patients who electively come to Pratt Regional Medical Center with either an out-of-network or non-contracted payer

### PURPOSE

This policy establishes the framework by which Pratt Regional Medical Center fulfills its statutory mandate and continues its historical tradition of providing care to medically indigent citizens. Further, this policy will provide the guidance necessary to assist patients who cannot pay for medically necessary health care prescribed by their health care provider.

The financial assistance provided by Pratt Regional Medical Center is not a substitute for personal responsibility. Patients are expected to cooperate with Pratt Regional Medical Center's

procedures for obtaining financial assistance or other forms of payment. When able, all financial assistance applicants are expected to contribute to the cost of their care.

## DEFINITIONS

- **Financial Assistance:** Healthcare services that have been or will be provided but are never expected to result in cash. Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established financial criteria.
- **Uninsured:** The patient has no third-party assistance to assist with financial responsibility for medical services.
- **Underinsured:** The patient has some form of third-party assistance but still has out-of-pocket expenses that exceed their ability to pay.
- **Medically Necessary:** Reasonable or necessary services for diagnosing or treating an illness or injury.
- **Family Income:** Defined by the Census Bureau, which includes:
  - Earnings, unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rent, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
  - Noncash benefits (such as food stamps and housing subsidies) do not count
  - Determined on a pre-tax basis
  - Excludes capital gains or losses
  - If a person lives with a family, include the income of all family members (non-relatives, such as housemates, do not count)
- **Gross Charges:** Total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.
- **Emergency Medical Conditions:** Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).
- **Self-Pay Discount:** Discount applies to amounts due from patients for uninsured services.
- **Alien:** Any person not a citizen or national (a person owing permanent allegiance to a state) of the United States.
- **Federal Poverty Guidelines:** In February of each year, the Federal Government releases an official income level for poverty called the Federal Poverty Guidelines (FPG). The benefit levels of many low-income assistance programs are based on these poverty figures. For this policy, Pratt Regional Medical Center will use the Federal Poverty Guidelines that are issued each year in the Federal Register by the Department of Health and Human Services (HHS). For a table of the guidelines for the current year, see Addendum A.
- **Financially Indigent Patients:** Patients who are (1) uninsured or underinsured and (2) whose gross income is 0% to 300% of the Federal Poverty Guidelines are referred to as Financially Indigent Patients.
- **Medically Indigent Patients:** Patients who are (1) uninsured or underinsured and (2) whose incurred medical liabilities owed to Pratt Regional Medical Center are equal to or exceed 50% of their gross annual income are referred to as Medically Indigent Patients.
- **Out of Network Patients:** Patients who are (1) have insurance coverage for which there is no out-of-network benefit payable, (2) who have been advised in advance of services that their

insurer requires the services to be provided by a healthcare facility other than Pratt Regional Medical Center, and (3) who still elect to receive services at Pratt Regional Medical Center knowing that they will be liable for all charges resulting from such an out of network election, are referred to as Out of Network Patients.

- **Non-Resident Alien:** An individual granted permission by the United States Government to enter the United States temporarily as a non-immigrant for purposes that include tourism, business, education, medical care, or temporary employment.
- **Permanent Resident Alien:** An alien admitted to the United States as a lawful permanent resident. An illegal alien who entered the United States without inspection is not a permanent resident alien. Lawful permanent residents are legally accorded to reside permanently in the United States.

## FINANCIAL ASSISTANCE PROGRAM

### Eligibility

Financial assistance applies to patient liability only, including but not limited to deductibles, co-payments, and co-insurances. The granting of financial assistance will be based on an individualized determination of financial need and will not consider age, gender, race, social status, sexual orientation, or religious affiliation. Anyone who does not want to receive Medicare benefits but who otherwise qualifies (e.g., is at least 65 years old) must present a completed IRS form 4029. Eligibility for financial assistance is determined by the patient's family income, assets, and family size. Services eligible under this policy will be made available to the patient on a sliding scale in accordance with financial need as determined in reference to the FPG in effect at the time of the determination. A patient must be Financially Indigent or Medically Indigent at the time of the decision. A patient must cooperate with PRMC staff and other representatives who will attempt to enroll the patient for healthcare benefits through Medicaid/Kancare or other programs. The financial assistance discount is based on a sliding scale between 0-300% of the FPG for the current year (see Addendum A).

### *Additional Considerations*

- This policy shall prohibit Pratt Regional Medical Center from offering further discounts or more favorable financial assistance than that set forth above based upon the circumstances.
- A patient must receive medically necessary services (e.g., eligibility is not available for elective services such as cosmetic surgery). In general, coverage guidelines will mirror Medicare coverage guidelines.
- Patients whose family income exceeds 300% of the FPG may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Pratt Regional Medical Center.
- Please note that modifications to previously administered discounts will be made if subsequent information indicates the information relied upon was inaccurate
- Pratt Regional Medical Center shall provide charity/financial assistance to patients who are provided services through any community indigent program (e.g., Hope Center) that Pratt Regional Medical Center has entered into a participation agreement where services will be provided as charity care, as well as patients who are victims of sexual assault. Such

participation is at the discretion of Pratt Regional Medical Center with these community indigent programs and the decision to provide charity care to victims of sexual assault.

- Services defined and processed by state Medicaid/Medikan/Sobra programs as non-covered benefits (e.g., remit codes of 96, 204, or 256) may be deemed charitable services by Pratt Regional Medical Center. Those state programs define such services as due from the patient when non-covered by the state program under which benefits are paid. Pratt Regional Medical Center will also provide charity/financial assistance when the state program denies service coverage due to the length of stay exceeding a state-defined number of days.
- An insured patient with coverage denied due to exhausted benefits, pre-existing conditions, services deemed non-covered, and patient liability by the insurance/payer or an insurance carrier that is not under contract with the hospital that refuses to pay may be eligible for financial assistance as described in this policy and considered under-insured.

### **Methods by Which Patients May Apply for Financial Assistance**

Financial assistance requests can be made by contacting the Patient Financial Counselor via telephone, email, fax, or written correspondence or visiting the Patient Financial Services Department. Pratt Regional Medical Center requires re-application or additional screening for financial assistance every 180 days. FAP determination shall take place only after all medical screenings and evaluations are completed for emergent cases.

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need and may include:

- An application process in which the patient or the patient's guarantor is required to cooperate and supply personal, financial, and other information and documentation relevant to determining financial need, including but not limited to:
  - A copy of the Applicant's most recent as-filed Federal Income Tax Return (including a copy of the Applicant's W-2 Form(s)) shall be provided by the Applicant to the Financial Counselor or, if applicable, written verification from a public welfare agency or other governmental agency attesting to the Applicant's income status
  - Copies of the Applicant's two most recent payroll vouchers (e.g., check stubs) shall be provided by the Applicant to the Financial Counselor
  - The Financial Counselor may obtain a credit report for the Applicant
- Include the use of external, publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring)
- Include reasonable efforts by Pratt Regional Medical Center to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients in applying for such programs
- Take into account the patient's available assets and all other financial resources available to the patient; and
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history

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### **Amounts Charged to Patients**

For uninsured patients, the financial assistance discount is applied to gross charges for the eligible services after first deducting the self-pay discount. In no event are gross charges billed to a patient approved for financial assistance, without a corresponding discount.

### **Relationship to Collection Policies**

Upon approving 100% financial assistance, all collection efforts related to that amount will cease. Pratt Regional Medical Center will not turn over any account approved for 100% financial assistance to a collection agency or report it to a credit agency. Standard collection efforts will be applied to balances remaining after applying all discounts.

Pratt Regional Medical Center will not impose extraordinary collection efforts such as wage garnishment, liens on primary residences, or other legal actions for any patient without making reasonable efforts to determine whether the patient is eligible for financial assistance.

### **Communication for the Financial Assistance Program to Patients and Within the Community**

Information about the Financial Assistance Program can be found on patient billing statements, Pratt Regional Medical Center's website, or by contacting the Patient Financial Services Department at (620) 450-1146.

Any member may refer patients for financial assistance from Pratt Regional Medical Center or medical staff, including but not limited to physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. Requests for financial assistance can be made by the patient, family member, close friend, or associate of the patient, following applicable privacy laws.

Requests for financial assistance will be responded to promptly in writing within 14 days of receipt of the corresponding completed application. If approved, the response will state the amount of financial assistance provided and the remaining balance.

## ADDENDUM A

### Table of the Current Federal Poverty Guidelines

Size of Family/Household	2021 Federal Poverty Guidelines (FPG) for the 48 Contiguous States (incomes are gross/pre-tax amounts)				
	100%	150%	200%	250%	300%
1	\$ 13,590	\$ 20,385	\$ 27,180	\$ 33,975	\$ 40,770
2	\$ 18,310	\$ 27,465	\$ 36,620	\$ 45,775	\$ 54,930
3	\$ 23,030	\$ 34,545	\$ 46,060	\$ 57,575	\$ 69,090
4	\$ 27,750	\$ 41,625	\$ 55,500	\$ 69,375	\$ 83,250
5	\$ 32,470	\$ 48,705	\$ 64,940	\$ 81,175	\$ 97,410
6	\$ 37,190	\$ 55,785	\$ 74,380	\$ 92,975	\$ 111,570
7	\$ 41,910	\$ 62,865	\$ 83,820	\$ 104,775	\$ 125,730
8	\$ 46,630	\$ 69,945	\$ 93,260	\$ 116,575	\$ 139,890
<b>Financial Assistance Discount Based on FPG Range</b>					
<b>FPG Range</b>	0-200%		201-250%		251-300%
<b>Financial Assistance Discount</b>	100%		50%		25%

Table 1: Reference <https://www.federalregister.gov/documents/2022/01/21/2022-01166/annual-update-of-the-hhs-poverty-guidelines>

**ADDENDUM B**

Suppose the Applicant is eligible for the FAP (as outlined in this policy). In that case, reduction or waiver of amounts will be authorized by appropriate PRMC individuals or Third-party partners:

<b>Role</b>	<b>Authorized Amount</b>
<i>Manager or Third-Party Financial Assistance Partners</i>	≤ \$2,500.00
<i>Controller/Director</i>	\$2,501.00 - \$10,000.00
<i>Vice President</i>	≥ \$10,000.00

### ADDENDUM C

Providers affiliated with Pratt Regional Medical Center who will provide emergency and medical necessary care under the terms of PRMC's Financial Assistance Policy include:

Provider	Phone Number
<b>Internal Medicine Providers</b>	620-672-7415
<b>*Includes Professional and Technical Fees</b>	
<b>Surgicenter Providers</b>	620-672-6454
<b>*Includes Professional and Technical Fees</b>	
<b>Bone and Joint Providers</b>	620-672-1002
<b>*Includes Professional and Technical Fees</b>	
<b>Emergency Medicine Providers</b>	620-672-7451
<b>*Includes Professional and Technical Fees</b>	
<b>Infusion/Wound Clinic</b>	620-770-4117
<b>*Includes Technical Fees</b>	

Providers affiliated with Pratt Regional Medical Center who will not be covered under the terms of PRMC's Financial Assistance Policy include:

1. Anesthesia Services (all professional and technical fees)
2. Radiologist Fees (all professional fees)
3. Pratt Family Practice Provider (all professional fees)
4. Pathologist Fees (all professional fees)
5. Urgent Care Services (all professional and technical fees)



## System Generated Footer

**Attachments:** [Summary Report From Previous System 2023-07-14-20-46-07Z, Financial Assistance & Social Responsibility](#)

**Approvals:**

Review Committee: 5/25/21, 7/21/22, 7/27/22

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**Renewal Date:** 7/27/2023

**Committees:** Review Committee

**Reviewers:** Alan Waites